



# Appropriations Update

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## AGRICULTURE APPROPRIATIONS BILL FOR FISCAL YEAR 2004 – H.R. 2673

### SUMMARY

The Agriculture appropriations bill, which was reported to the House on 9 July 2003 (HR 2673; H.Rept. 108-193), provides new budget authority equal to the 302(b) suballocation for the Appropriations Subcommittee on

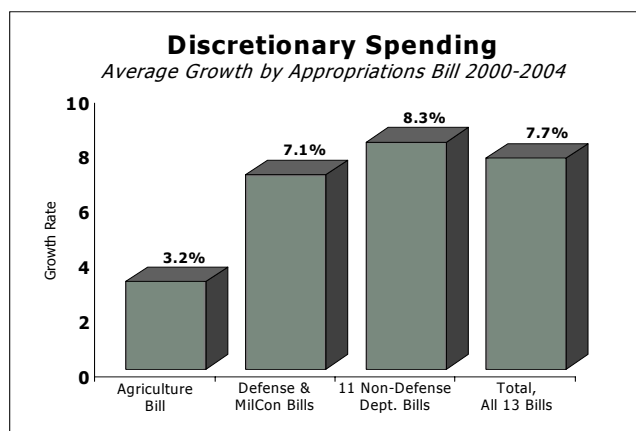
Agriculture. The bill is consistent with the Concurrent Resolution on the Budget for Fiscal Year 2004. (H.Con.Res. 95). The legislation also complies with the requirements of the Congressional Budget Act.

### COST OF THE LEGISLATION

H.R. 2673 provides \$17.005 billion in new budget authority [BA] and \$17.663 billion in outlays for 2004 – a decrease of \$1.091 billion in BA and \$14 million in outlays from fiscal year 2003 (see Table 1 below). Although budget authority in the bill declines by 6.0 percent from the previous year, it is \$221 million above the President's request.

As shown in the chart alongside, assuming enactment of this bill, new BA for agriculture will have increased an average of 3.2 percent a year in the 2000-04 period. This rate of growth is lower than that of the appropriations bills for the Department of Defense and other Federal agencies, and is 4.5 percentage points below that of discretionary spending as a whole.

The bill contains \$539 million in BA savings. The savings include \$538 million in BA and \$179 million in outlays from changes in mandatory spending, and \$1 million worth



of rescissions of previously enacted BA with no related outlays. The bill does not contain appropriations designated as emergencies, or provide advance appropriations.

**Table 1: Agriculture Appropriations Bill**  
(fiscal years; millions of dollars)

|                  | 2003 Spending <sup>a</sup> | Administration 2004 | 302 (b) for 2004 | Bill   |
|------------------|----------------------------|---------------------|------------------|--------|
| Budget Authority | 18,096                     | 16,784              | 17,005           | 17,005 |
| Outlays          | 17,677                     | 17,832              | 17,686           | 17,663 |

<sup>a</sup> Does not include \$479 million in BA and \$234 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

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This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of all the committee's members.

## COMPLIANCE WITH THE BUDGET RESOLUTION

The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of bills in excess of a subcommittee's 302(b) allocation for new budget authority. The second, section 311(a), prohibits consideration of legislation exceeding the aggregate levels of budget authority and outlays established in the concurrent resolution on the budget.

The \$17.005 billion in new discretionary budget authority is the same as the 302(b) allocation to the House

Appropriations Subcommittee on Agriculture; outlays are \$23 million less than the allocation. Because no appropriations bills for fiscal year 2004 have been enacted, there is ample room under the BA ceiling and hence the bill would not violate section 311(a).

The bill does contain savings provisions from mandatory spending programs that are under the jurisdiction of the Committee on Agriculture. If these provisions were to be stricken, the bill would exceed its allocation.

**Table 2: Discretionary Spending in the Agriculture Appropriations Bill**  
(in millions of dollars)

|   | 2003 Budget<br>Authority <sup>a</sup> | 2003<br>Outlays <sup>a</sup> | 2004 Budget<br>Authority | 2004<br>Outlays | Difference<br>BA | Difference<br>Outlays |
|---|---------------------------------------|------------------------------|--------------------------|-----------------|------------------|-----------------------|
| Agricultural Research Service .....                                   | 1,138                                 | 1,158                        | 1,050                    | 1,162           | -88              | 4                     |
| Cooperative State Research, Education,<br>and Extension Service ..... | 1,118                                 | 1,040                        | 982                      | 1,110           | -136             | 70                    |
| Animal Plant Health Inspection Service ..                             | 687                                   | 834                          | 731                      | 724             | 44               | -110                  |
| Food Safety and Inspection Service .....                              | 755                                   | 729                          | 785                      | 800             | 30               | 71                    |
| Farm Service Agency .....   | 1,488                                 | 1,548                        | 1,523                    | 1,560           | 35               | 12                    |
| Natural Resources Conservation Service ..                             | 1,016                                 | 905                          | 815                      | 890             | -201             | -15                   |
| Rural Development .....   | 1,047                                 | 918                          | 847                      | 952             | -200             | 34                    |
| Rural Housing Service .....   | 1,556                                 | 1,476                        | 1,514                    | 1,491           | -42              | 15                    |
| Foreign Agricultural Service .....                                    | 1,712                                 | 1,441                        | 1,519                    | 1,594           | -193             | 153                   |
| Food and Nutrition Service .....                                      | 5,001                                 | 5,057                        | 4,898                    | 4,884           | -103             | -173                  |
| Other Department of Agriculture .....                                 | 1,101                                 | 1,121                        | 847                      | 1,046           | -254             | -75                   |
| Food and Drug Administration .....                                    | 1,382                                 | 1,349                        | 1,395                    | 1,349           | 13               | 0                     |
| Commodity Futures Trading Commission<br>and Denali Commission .....   | 95                                    | 101                          | 99                       | 101             | 4                | 0                     |
| <b>Total .....</b>  | <b>18,096</b>                         | <b>17,677</b>                | <b>17,005</b>            | <b>17,663</b>   | <b>-1,091</b>    | <b>-14</b>            |

<sup>a</sup> Does not include \$479 million in BA and \$234 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

## DISCUSSION

As noted above, the bill is \$1.091 billion below 2003 spending. Table 2 above shows that the reduction in spending is spread across most of the activities covered by the bill. The exceptions are the regulatory programs funded by the bill (the Animal Plant Health Inspection Service [APHIS], the Food Safety Inspection Service [FSIS], and the Food and Drug Administration), and the Farm Service Agency.

The bill includes funding – totaling \$18.5 million in BA – to study the fiscal impact of certification error in the National School Lunch and School Breakfast Programs, and to uncover fraud in other nutrition programs.

Relative to the President's request, the bill increases BA by a net of \$221 million. Increases appear in Rural Development (\$221 million), the Cooperative State

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Research, Education, and Extension Service (\$216 million), the Food Safety and Inspection Service (\$110 million), the Agricultural Research Service (\$39 million), the Animal Plant Health Inspection Service (\$39 million), and the Foreign Agricultural Service (\$7 million). These are partly offset by decreases, compared with the President's request, in the Food and Nutrition Service (\$182 million), Other Agriculture Department activities (\$122 million), the Natural Resources Conservation Service (\$66 million),

Rural Housing (\$23 million), the Food and Drug Administration (\$11 million), and the Farm Service Agency (\$7 million).

The bill does not provide funding for a new discretionary technical assistance account for conservation programs requested in the President's budget for fiscal year 2004. The bill also does not provide the higher fees for APHIS and FSIS requested by the administration.

### **CHANGES IN MANDATORY PROGRAMS**

The bill contains changes to mandatory programs – programs not subject to annual appropriations – that generate savings to offset discretionary spending.

It is not unusual for the Agriculture appropriations bill to provide such mandatory savings: in fiscal year 2003, the Congressional Budget Office estimated offsets to discretionary spending from entitlement programs of \$281 million in BA and \$69 million in outlays. This year the bill provides savings of \$538 million in BA and \$179 million in outlays, an increase of \$257 million in BA and \$110 million in outlays over 2003.

Twelve provisions account for this fiscal impact, of which, eight, accounting for \$336 million, were also requested by the President. These savings include an obligational delay of Future Agriculture and Food Systems (\$120 million) and limits on dam rehabilitation (\$95 million), rural cooperative development grants (\$40 million), environmental quality

incentives (\$25 million), the renewable energy program (\$23 million), broadband service access (\$20 million), rural community grants (\$10 million), and rural electrification interest payments (\$3 million).

The committee also included \$202 million in mandatory savings not requested by the President. These include limits on the wetlands reserve (\$56 million), conservation security (\$53 million), and rural strategic investment programs (\$98 million). These savings offset a spending increase for the tree assistance program (\$5 million), intended to provide relief to tree-fruit growers in New York.

Although these mandatory provisions are under the jurisdiction of the Committee on Agriculture, the costs are counted against the allocation to the Appropriations Committee's Agriculture subcommittee. As noted above, if these provisions were to be stricken, the bill would exceed its allocation under section 302(b) of the Budget Act.